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Economic Sanctions as a Course of Action  
to the Geographic Combatant Commander

by  
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A paper submitted to the Faculty of the Naval War College in partial satisfaction of the requirements of the Department of Joint Maritime Operations.

The contents of this paper reflect my own personal views and are not necessarily endorsed by the Naval War College or the Department of the Navy.

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## INTRODUCTION

The widespread use of economic sanctions constitutes a paradox. Sanctions are frequently criticized. At the same time, they have fast become the policy tool of choice for the United States. There has been a dramatic increase in our application of this tool. The United States has applied sanctions a total of 115 times since World War I, 107 times since World War II, and 67 times since 1993.<sup>1</sup> About 75 of the world's nearly 200 countries are currently subject to U.S. sanctions. In contrast, the United Nations currently enforces sanctions against fewer than a dozen countries.<sup>2</sup> Sanctions are popular because they offer a proportional response to a challenge in which U.S. interests are not deemed sufficiently important to justify casualties and high costs. Sanctions provide a visible and less expensive alternative between military intervention and doing nothing. This paper will discuss how this tool can be most appropriately and effectively shaped as a course of action proposed by a geographic combatant commander for approval by the national command authorities.

The effectiveness of U.S.-led economic sanctions since 1989 are more comparable to possible future sanctions efforts because they occurred in an international environment free of Soviet-American competition. Arguably, the end of the Cold War brightens the prospects for economic sanctions success. Although the post-1989 record is brief, in the sanctions efforts the United States has initiated since 1990, no country has effectively frustrated the imposition of international sanctions efforts, as the Soviet Union did to support Cuba during the Cold War.<sup>3</sup>

In the cases of Iraq and the Federal Republic of Yugoslavia (FRY), maritime interdiction operations (MIO) were used to enforce sanctions. In both cases, MIO significantly improved sanctions effectiveness but did not completely succeed. The problem for the geographic combatant commander today is how to enable future sanctions operations to be effective. The measure of effectiveness will be their ability to make the sanctioned state change policies.

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<sup>1</sup> Richard N. Haas, Economic Sanctions and American Diplomacy, (New York: June 1998)

<sup>2</sup> Robin Wright, "Powell Intends to Curb Use of Diplomatic Sanctions," Los Angeles Times, 22 January 2001, p.1

<sup>3</sup> David Cortright and George A. Lopez, Economic Sanctions: Panacea or Peacebuilding in Post-Cold War World?, (Boulder, CO: Westview, 1995)

## ANALYSIS

### Previous Record of Failure

One of the most powerful arguments against unilateral economic sanctions is that they rarely work. The prevailing view is that economic sanctions imposed before and during the Cold War were ineffective and concludes that sanctions are a weak course of action.<sup>4</sup> This pessimistic sanctions literature suffers from biases that cause it to underestimate sanctions effectiveness. Sanctions can have three major foreign policy purposes: To persuade the sanctioned nation to change its behavior; to weaken the sanctioned nation; or to punish the sanctioned nation.<sup>5</sup> The sanctions literature judges a given set of economic sanctions as successful only when they change behavior. It labels as a failure those sanctions which were intended only to successfully weaken or punish the sanctioned nation. Since many sanctions are undertaken largely for these lesser purposes, the sanctions literature underestimates the overall effectiveness of sanctions.<sup>6</sup>

Advocates of sanctions have pointed to their use against Haiti, Iraq, and the FRY as examples of success. But the political change in Haiti came about only after the United States prepared to invade the island. And the U.N.-imposed economic sanctions on Iraq did not force Saddam to withdraw from Kuwait, but rather it was the U.S.-led military campaign against Baghdad that achieved that goal. Those sanctions were insufficient despite the fact that they were imposed by a broad coalition of its major trading partners. The continued imposition of economic sanctions against Iraq are increasingly questioned by nations such as France are increasingly uneasy about the long-term damage to Iraq's infrastructure caused by U.N. sanctions.<sup>7</sup> Critics also say that international sanctions on the FRY did nothing to curb President Slobodan Milosevic.

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<sup>4</sup> Robert A. Pape, "Why Economic Sanctions Still Do Not Work," International Security 22, no.2 (Fall 1997) pp.90-136.

<sup>5</sup> Maki on Amerongen, "Economic Sanctions as a Foreign Policy Tool," International Security 5, no.2 (Fall 1980) pp.159-167.

<sup>6</sup> *Ibid.*

<sup>7</sup> Erin Day, Economic Sanctions Imposed by the U.S. Against Specific Countries 1979-1992 (Washington D.C.: Congressional Research Service, CRS Report for Congress, 10 August 1992) pp.513-525.

Secretary of State Colin Powell is proposing to scrap many of the punitive sanctions imposed by the United States. At his confirmation hearing, he was almost scornful in describing the use of sanctions, which, along with warfare, are one of the most enduring courses of action. He served notice on Congress that he intends to push for change.<sup>8</sup>

### **Case Studies (See Appendices)**

To help provide a basis for judgments and recommendations, this study will draw primarily from the economic sanctions posed on Iraq beginning in 1990, as well as supporting data from sanctions posed on Haiti and the Federal Republic of Yugoslavia (FRY). These cases are among the most prominent examples of sanctions used by the United States in the post Cold War world. Also, these cases represent forceful rather than half-hearted efforts to bring sanctions to success.

Notwithstanding the views of many critics, these three post-Cold War cases show that when an international coalition has had the will to impose strong sanctions they have achieved positive results. Without sanctions, it seems likely that Saddam would have withheld his concessions on WMD and further built up his military, the Haitian elites would not have accepted Aristide's return, and Milosevic would not have pressured the Bosnian Serbs to make concessions for peace.

### **Globalization**

The globalization trend in the world economy will both hinder and support the future use of economic sanctions. According to Richard Haas, "The increasing complexity of world commerce as international barriers fall also diminishes the effectiveness of embargoes. Sanctions demand a degree of control that is harder and harder to come by in a globalized world because there are more and more independent players--not just governments but companies, nongovernment organizations, cartels, even terrorist groups--to provide goods."<sup>9</sup> However, globalization with its enhanced dependency in international trades also makes nations more vulnerable to sanctions when effectively imposed. The prosperity of a

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<sup>8</sup> Robin Wright, "Powell Intends to Curb Use of Diplomatic Sanctions," Los Angeles Times, 22 January 2001, p.1

country increasingly depends upon trade beyond its borders, therefore becoming more susceptible to sanctions, such as freezing assets.<sup>10</sup>

### **Legal framework for military-enforced sanctions**

The U.N. imposed almost all of its economic sanctions in the first half of the 1990s. This surge in Security Council authorized sanctions was the result of the end of the Cold War, which permitted the development of consensus among the five permanent members of the Security Council. Despite this, neither the infrastructure of the U.N. Secretariat nor that of the Security Council was really up to this tremendous expansion of business.<sup>11</sup>

For military enforcement of economic sanctions to be effective, they must have multilateral support and a legal foundation. The U.N.'s Charter provides the multilateral organization and the international legal framework to authorize military enforcement. Article 39 within Chapter VII of the U.N. Charter authorizes the Security Council to determine the existence of any threat to the peace, breach of the peace, or act of aggression. Once it does so, the Security Council is then authorized to take measures to restore international peace and security. Among the measures which may be taken are the imposition of sanctions which partially or completely disrupt economic relations with a state, pursuant to Article 41 of the Charter. The Security Council is also authorized under Article 42 to use air, sea or land forces to enforce sanctions it imposes.<sup>12</sup> In addition to sanctions authorized by the Security Council, sanctions may lawfully be imposed under international law by individual nations or a group of nations. When force is used to enforce such sanctions, Article 51 of the Charter recognizes the legality of such action in self-defense in response to an armed attack.

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<sup>9</sup> Richard N. Haas, "Powell Intends to Curb Use of Diplomatic Sanctions," Los Angeles Times, 22 January 2001, p.1

<sup>10</sup> Bill Dunlap, "International Online Marketing, <<http://www.greach.com/index/php3>>

<sup>11</sup> Paul Szasz, International Law Studies Volume 71 The Law of Armed Conflict: Into the Next Millennium, (Naval War College Press, Newport, RI: 1998)

<sup>12</sup> The Charter of the United Nations, 16UST1134,19UST5450,24UST2225

## Obstacles

Obstacles may arise during the last three of the four stages of a sanctions regime: the decision to impose, implementation, monitoring, and enforcement.

Implementation: There is presently no effective multilateral mechanism in place at the international level to address how to apply sanctions against a given country. Once sanctions are imposed, it is usually not clear how they will be implemented, since communication both between sender countries and within a sanctioned nation is frequently lacking.

Monitoring: All participants seemed to agree that the U.N., given its present structure and economic and personnel resources, is incapable of conducting large monitoring initiatives, yet no other structure presently exists to adequately play this role. In addition, a lack of consensus exists on what is considered illegal goods, and when enforcement is left to the national level, it is never uniform, and therefore extremely difficult to monitor.

Enforcement: U.N. resolutions do not ensure that individual countries will act, and each state must have its own regulations for enforcement, which greatly complicates concerted efforts. If states or the U.N. are not prepared to back up threats with some meaningful enforcement course of action, usually military, sanctions may become costly and pointless. Unless the political will is great, many countries - particularly close allies or trading partners of sanctioned nations - will violate U.N. resolutions for their own economic gain.

Article 25 of the U.N. Charter commits each member state to carry out the decisions of the Security Council. Article 2, Paragraph 5 specifies against which the U.N. is taking enforcement actions.

In the case of Iraq, the Security Council created a Sanctions Committee, and over time repeatedly expanded its mandate. For example, it imposed restrictions on air traffic to and from Iraq. As a result, the Committee approved flights and assumed responsibility for arranging for U.N. presence at airport inspections. The combination of reporting and approval activities imposed a considerable administrative burden on the Committee's secretariat. Military resolution of the conflict then assumed priority, thus

preventing the Committee's function as a source of support for effective sanctions. The functions performed by the Committee are not easily classified due to the Committee's changing mandates.<sup>13</sup>

From its creation, the U.N. Sanctions Committee clearly was intended to perform some assessment functions. As a number of such committees function at the same time, the total burden of participation can be heavy.<sup>14</sup> It held a mandate "to examine the reports on the progress of the implementation," and states were obligated to supply "such information as may be *sought* by the Committee" regarding the "*effective* implementation" actions of those states.<sup>15</sup> As time passed, even the basic goals were not clarified; instead, "effective implementation" goals were mixed with "humanitarian mitigation" goals. This evidences the necessity of a coherently defined mandate in future situations of this type.<sup>16</sup>

A potential counterargument is that this comes in a gray area concerning legal uncertainties. The U.S. possesses a number of information warfare capabilities which would be useful in monitoring implementation of a sanctions regime. Nonetheless, there are many ambiguities over the characterization of information warfare activities that international law has yet to resolve. "This leaves space for the United States and others to conduct information warfare activities, perhaps even in peacetime, without significant legal repercussions. This legal status quo may appear satisfactory to U.S. policymakers."<sup>17</sup> Since the United States leads in information warfare development, legal ambiguity can be advantageous, allowing the United States to apply its technological strength to international conflicts in ways beyond the capacities of anyone else.<sup>18</sup> This is an extremely important factor in the development of information warfare.

It is imperative that the United States offer its capability to conduct information isolation as part of a sanctions enforcement regime. The plenary power provided to the Security Council by Article 41 of

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<sup>13</sup> Paul Conlon, "Lessons From Iraq: The Functions of the Iraq Sanctions Committee as a Source of Sanctions Implementation Authority and Practice", Virginia Journal of International Law (Vol.35, No. 3, Spring 1995) pp.633-668.

<sup>14</sup> Paul Szasz, International Law Studies Volume 71 The Law of Armed Conflict: Into the Next Millennium, (Naval War College Press, Newport, RI: 1998)

<sup>15</sup> Ibid, 644

<sup>16</sup> Ibid

<sup>17</sup> Lawrence T. Greenberg, Seymour E. Goodman, Kevin J. Soo Hoo, "Conclusion: Reconciling Technology and International Law, Resolving Ambiguities, and Balancing Capabilities," April 1998; available from <<http://www.dodccrp.org>>

the Charter to decide on any measure to give effect to its decisions allows the Council to authorize sanctions which would include information isolation. "The Charter of the United Nations, drafted 50 years ago, appears to contemplate such interference with a country's communications as info-blockades. Article 41 provides that in its effort to address breaches of the peace, the U.N. Security Council may call upon U.N. members to disrupt an aggressor's rail, sea, air, postal, telegraphic, radio and any other means of communication."<sup>19</sup> This interpretation of Article 41 provides the international legal basis for economic sanctions, and information isolation actions fit perfectly within this legal framework. Should use of military forces be required to effect information isolation, Article 42 provides the legal authority for the Security Council to authorize their use for this purpose.<sup>20</sup>

This is a very important interpretation, as new military technology can be applied under existing legal authority. The United States can use this legal foundation as a starting point to convince the Security Council that information isolation actions must be incorporated in any future military-enforced economic sanctions. Specifics for military implementation of such a regime will be discussed in greater detail later in this paper.

### **Conclusions From U.S. Sanctions-Enforcement Experience**

A number of conclusions can be drawn from recent American experience which will provide a useful framework for military-enforced economic sanctions, assuming there are enough forces available to conduct MIO operations that will have an impact on the sanctioned nation:

1) Sanctions alone are unlikely to achieve desired results if the aims are large or time is short  
Sanctions--even when comprehensive and enjoying almost universal international backing for nearly six months--failed to get Saddam to withdraw from Kuwait. Less universally accepted sanctions imposed on Cuba for over 40 years have yet to dislodge Castro. Sanctions could not persuade Haiti's junta to honor the

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<sup>18</sup> "Military Enforcement of Economic Sanctions ... Smart Changes for the Future" (Unpublished Research Paper, U.S. Army War College, Carlisle Barracks, PA: 2000), p.11

<sup>19</sup> Lawrence T. Greenberg, Seymour E. Goodman, Kevin J. Soo Hoo, "Conclusion: Reconciling Technology and International Law, Resolving Ambiguities, and Balancing Capabilities," April 1998; available from <<http://www.dodccrp.org>>

<sup>20</sup> "Military Enforcement of Economic Sanctions ... Smart Changes for the Future" (Unpublished Research Paper, U.S. Army War College, Carlisle Barracks, PA: 2000), p.12

results of an election. Nor could they dissuade Serbia and others to call off their military aggression. It is crucial to give sanctions enough of factor time to enforce them so that they may achieve the desired goal.

2) Sanctions can successfully weaken or punish a sanctioned nation. Sanctions introduced after the Gulf War increased Iraqi compliance with resolutions calling for the complete elimination of its WMD and diminished Iraq's ability to import weapons. In the FRY, sanctions were one factor contributing to Serbia's decision to accept the Dayton agreement. Once the collapse of the Soviet Union resulted in a cut off of the substantial Soviet aid to Cuba, sanctions significantly reduced the offensive capability of the Cuban armed forces.

3) Sanctions often produce unintended negative consequences. Sanctions increased the economic distress in Haiti, triggering a dangerous and expensive exodus of people from Haiti to the United States. Because these sanctions were poorly designed, they ended up helping the elites holding political power and hurting the democratic process. The arms embargo imposed on the former Yugoslavia weakened the Bosnian (Muslim) side while having little impact on the Bosnian Serbs and Croats who had larger stores of military supplies and greater access to additional supplies from outside sources. More generally, sanctions can have the effect of actually bolstering authoritarian societies. By creating scarcity, they enable governments to better control distribution of goods.

4) Sanctions fatigue tends to settle in over time and international compliance tends to diminish. Inevitably, the issue that led to sanctions being introduced loses its emotional impact. Concerns over the humanitarian impact of sanctions also weaken resolve. At the same time, the sanctioned nation has time to adjust. Working around sanctions, import substitution, and any improvement of living standards due to adaptation all make sanctions bearable.

According to Richard Haas from the Brookings Institution, "Sanctions tend to be effective only when you have modest goals and international support. We've asked sanctions to do too much. In a wide range of situations, people want to do something short of sending troops. Too often, sanctions are used to fill that need to act without asking if that is the appropriate instrument. At the same time, there are few good alternatives to sanctions in the post-Cold War world. Most governments tend to be reluctant to go to

war and often prefer limited military objectives, supplemented by sanctions, in response to offenses or provocations by other nations."<sup>21</sup>

## RECOMMENDATIONS

### A New Approach to More Effective Sanctions

The mixed results of various sanctions, the lack of an agreed "standard of performance" against which to measure their utility, and the costs imposed on those imposing the sanctions and on third countries lead to a need to reexamine and to rethink the way in which we use sanctions.

1) Resort to sanctions only after other appropriate diplomatic and information options have been aggressively pursued and have failed. Economic sanctions are a serious course of action and should be employed only after consideration no less rigorous than what would precede military intervention. The relationship between how the sanction is likely to affect U.S. interests should compare favorably to the likely consequences of all other courses of action, including military intervention, covert action, diplomacy, offering incentives, or doing nothing. Political sanctions should be used sparingly if at all. We should resist the temptation to break diplomatic relations or cancel high-level meetings. Such interactions provide opportunities for U.S. officials to make their case. Engagement is more often better than isolation. Cutting off dialogue and engagement with those countries would be counterproductive.

2) Economic sanctions should focus on those responsible for the offending behavior and should include a policy statement with an annual impact statement. Such statements should be clear as to the purpose of the sanction; the required legal and political authority; the expected impact on the sanctioned nation, including possible retaliatory steps; the probable humanitarian consequences and steps to minimize them; the expected costs to the United States; prospects for enforcing the sanction; the degree of international support or opposition that can be anticipated; and the criteria for lifting the sanction. A focused response helps avoid jeopardizing other interests; causes less collateral damage to innocents; and makes it less difficult to gather multinational support. We should study in advance the specific purpose, enforceability (including if forces are available that are required to conduct robust MIO), cost, and likely

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<sup>21</sup> Richard N. Haas, "Powell Intends to Curb Use of Diplomatic Sanctions," Los Angeles Times, 22 January

effect of any decision to impose sanctions. The annual impact statement should include an assessment of the extent to which the sanction has served its purposes; the economic, political and/or military impact on the sanctioned nation; any humanitarian effect; the reactions of the sanctioned nation; the degree of international compliance and non-compliance; and the financial costs to U.S. businesses, workers and the U.S. government. Depending on the President's review of the continued effectiveness of such measures, determine whether they should be terminated. If Congress does not approve of the President's decision, it could enact legislation of disapproval.

3) Humanitarian exceptions should be included as part of any comprehensive sanctions. Including an exception that allows a sanctioned nation to import food and medicine should also make it easier to bring about domestic and international support.

4) Total sanctions should be imposed as soon as a decision to impose sanctions is taken. A slow incremental tightening of sanctions is far less effective because it allows the sanctioned nation time to adjust by taking steps that would make future sanctions less effective. Slow incremental sanctions may also cause the sanctioned nation to question whether the coalition has the resolve to see the sanctions through to success.

5) The full range of economic instruments available also should be used. A combination of aid, trade and financial sanctions is markedly more effective than any lesser combination. The total sanctions imposed on Iraq, Haiti, and the FRY show that total sanctions achieve results. The sanctioning coalition must convince the sanctioned nation that it has the resolve to keep the sanctions in place until they achieve success. Clauses that tie sanctions to a set time period (sunset clauses) rather than a measure of a sanction's performance are not appropriate. Sanctions require different amounts of factor time for different countries in order to be enforced. Many objectives of particular sanctions may not be achievable within a pre-ordained time period.

6) Multilateral support should constitute a prerequisite for sanction use. Unilateral sanctions should be avoided. This is based on the overwhelming evidence that unilateral sanctions achieve little.<sup>22</sup> Unilateral sanctions offer a great opportunity for "sanctions busters" to profit while multilateral sanctions

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2001, p.1

offer fewer escape options for sanctioned nations. The cooperation of many states is desirable, yet the cooperation of neighbors, major trading partners, and major aid donors is critical since they have the greatest economic interaction with the sanctioned nation. Factor space becomes a crucial factor since sanctions will be ineffective if neighboring countries smuggle in the sanctioned goods. Multilateral sanctions maximize international pressure on the offending state while minimizing damage to U.S. competitiveness by equitably distributing the sanctions burden across the international community. If we are unsuccessful in building a multilateral regime, and only if vital national interests are at issue with the support of the Congress, we must be prepared to act unilaterally. Otherwise, our ability to influence or respond to international or regional threats will always be subject to someone else's veto.

7) Restructure sanctioning mechanisms. The time has come to develop a new mechanism and new systematic structure for Security Council sanctions implementation, monitoring, and enforcement. Such a mechanism should assess, before sanctions are imposed, their potential impact on the sanctioned nation and on third countries. This would enable the Security Council to fine-tune sanctions with a view to maximizing their political impact while minimizing collateral damage. Intelligence capabilities must be reoriented to meet the demands created by a sanctions course of action. The ability to design and implement smart sanctions will require extraordinary collection requirements. Analysts could help identify particular vulnerabilities of sanctioned nations and their leaders, examine likely reactions by the sanctioned nation and third parties, and monitor the impact of a sanction over time. Information might be collected through overseas banks, which already have sanctions regulations in place. In the case of unilateral sanctions imposed by the United States, "in most cases, the issue is rushed to the Senate or house floor so that Congress can express its outrage at some perceived misdeed, but there has never been any systematic effort by Congress to review sanctions once imposed, to consider whether they have achieved their objectives or have turned out to be counterproductive."<sup>23</sup>

Other types of sanctions should be tried as well in order to target the elite members of the sanctioned nation. For example, resolutions could prohibit travel by governmental figures, particularly

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<sup>22</sup> Richard N. Haas, Economic Sanctions and American Diplomacy, (New York: June 1998)

<sup>23</sup> Senator Christopher J. Dodd, Robin Wright, "Powell Intends to Curb Use of Diplomatic Sanctions," Los Angeles Times, 22 January 2001, p.1

those held especially responsible for the acts that provoked the sanctions, as well as by their families. This would at least target for discomfort those who bear some responsibility for the situation, rather than the innocent civilian population.<sup>24</sup>

The emerging post-Cold War evidence is that international coalitions will be easier to form and maintain given the absence of superpower competition. When the United States has been serious about gaining and maintaining cooperation for economic sanctions efforts to control conflict in the cases of Iraq, Haiti, and the FRY, it has succeeded. As evident from these case studies, militarily enforced economic sanctions remain a viable and vital tool for U.S. foreign policy and military strategy. Therefore it is imperative that the United States take the international lead in charting a new course for more effective economic sanction enforcement.<sup>25</sup>

### **Under-used Financial Sanctions**

Financial sanctions include freezing of foreign held assets, suspension of credit and loan guarantees, and denial of access to overseas financial markets. Future sanctions must target what gives the sanctioned nation its wealth and freezing assets is an under-used sanction. Surgical financial sanctions can specifically attempt to only target the political elite of a regime or government. This concept is theoretically more humanitarian because it should not affect the general public. It would shift the burden of the sanctions on the political leaders responsible for the violations of international norms. If executed in conjunction with a physical embargo, information isolation provides the immediate adverse financial impact and an embargo provides the long-term weakening of the regime's foundation. In Iraq, an asset freeze forced Saddam to exhaust the funds he held in Swiss banks.

Because no authority central authority exists to block assets around the world, the U.N. plays a vital, though paradoxical, role in the process. While the U.N. Security Council is the only body able to build consensus for the implementation of multilateral financial sanctions, it has little expertise regarding these measures and, is a body with legal but often little political will. Developing a mechanism to freeze

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<sup>24</sup> Paul Szasz, International Law Studies Volume 71 The Law of Armed Conflict: Into the Next Millennium, (Naval War College Press, Newport, RI: 1998)

targeted accounts is conceivable, but it ultimately would depend on full cooperation from the central banks of individual nations around the world. A U.N. Security Council resolution designed to help block financial transactions would be a useful first step. Such a resolution would be needed in each specific case, as it is unlikely that a generic authorizing measure would be possible. Recent economic sanctions authorized by the U.N. have included various levels of financial sanctions. "However, their success has been limited due to confusing legal precedence; poor coordination of the world banking system; limited application of the latest financial tracking software; and the diminished effectiveness when sanctions are not introduced immediately."<sup>26</sup>

The United States must effectively target a regime's financial holdings outside the country. Additionally, the regime's financial supporters must be targeted to interdict electronic commerce outside of the country borders and credit access must be eliminated. The United States can then interdict external communications leaving the borders of the country. This would include telecommunications, internet access and the export of television signals. The advantage to this approach is the civilian population would not directly experience physical deprivation from a commodity embargo. The regime would bear the brunt of the smart sanctions and communications chaos. If these actions have not elicited a policy change then the international community could move to a physical military enforced embargo. They can do this with the clear conscience that their sanctions course of action targeted the regime first, made every effort to minimize humanitarian suffering, and minimized the regime's ability to rally the masses around a nationalistic cause. This final stage would entail similar physical embargo efforts as demonstrated in the Iraq and Serbia cases with the addition of an active media effort to provide objective information to the civilian population outlining the reason that the international community is enforcing a physical and information embargo.

On January 6th, 2000, the Pentagon publicly acknowledged its plan to conduct offensive information warfare operations and the establishment of the Cyberwarfare Center at Space Command's headquarters in Colorado Springs. "The Cyberwarfare Center will help U.S. military commands around

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<sup>25</sup> "Military Enforcement of Economic Sanctions ... Smart Changes for the Future" (Unpublished Research Paper, U.S. Army War College, Carlisle Barracks, PA: 2000), p.5

<sup>26</sup> David Cortright, "Targeted Financial Sanctions: Problems and Prospects," 22 Nov 1998.

the world with tools and expertise to conduct electronic warfare. The command will seek to coordinate the computer expertise of various military services and also work policy and legal implications arising from the unconventional warfare.<sup>27</sup> Under this command structure, the Cyberwarfare Center can formulate an information isolation campaign plan by acting as a clearinghouse for the Intelligence Agencies, Treasury Department, State Department and the Combatant Commands. The State Department and Intelligence Agencies would concentrate on identifying the political elite of a regime. Then, the Treasury Department can apply new tracking software to identify the location of the regime and its financial supporter's assets. The Cyberwarfare Center would concentrate on formulating an interdiction plan for external telephone and satellite access, in addition to preparing plans for interdicting external broadcast signals (radio and television).<sup>28</sup>

"The United States has had great success in recent years tracking money laundering by drug lords and has gained an extraordinary degree of compliance with U.S. and world banks. Elaborate technologies such as name recognition software have been developed that allow bank officials to identify and interdict transactions by targeting individuals."<sup>29</sup> The capability of the U.S. military to interdict telecommunications and television signals provides several benefits to improve physical sanctions enforcement. First, interdicting external communications reduces the reliability of electronic commerce and information flow. Additionally, it gives the United States the ability to target specific communications nodes related to external trade. Also, interdicting media propaganda outlets disrupts a sanctioned nation's ability to disburse propaganda.

## CONCLUSION

As the world becomes more interdependent, the effective application of sanctions will be a real asset. But it is no panacea. So it is all the more important that we undertake a rigorous analysis of sanctions before we impose them. Sanctions can be an effective tool and we must keep this tool at our

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<sup>27</sup> Bill Gertz, "U.S. Set to Take on Warfare On-line," 06 January 2000 <[https://ca.dtic.mil/cgi-bin/ebird?doc\\_url=jan2000/e120000106usset.htm](https://ca.dtic.mil/cgi-bin/ebird?doc_url=jan2000/e120000106usset.htm)>

<sup>28</sup> "Military Enforcement of Economic Sanctions ... Smart Changes for the Future" (Unpublished Research Paper, U.S. Army War College, Carlisle Barracks, PA: 2000), p.11

<sup>29</sup> David Cortright, "Targeted Financial Sanctions: Problems and Prospects," 22 Nov 1998.

disposal. But we need to work to sharpen our ability to use it effectively. Passing legislation would introduce greater scrutiny of sanctions before and after their introduction. There is no tool that is always preferable to sanctions, any more than sanctions themselves offer a universal answer. While there will be those instances in which sanctions can help, recent history strongly suggests that the potential of sanctions to contribute to foreign policy will be modest--and that asking more of them than that will be counter-productive.

Conditions for using economic sanctions for this purpose are more auspicious today than in the past and should remain so for the foreseeable future. The Iraq, Haiti, and the FRY cases show that when an international coalition applies immediate and total sanctions, the sanctions can pay dividends. The Haitian case shows that even badly designed sanctions, once corrected, can help sender states to achieve their policy goals.

Economic sanctions are more effective than most analysts suggest. Their efficacy is underrated. The main impediment to successfully using economic sanctions to prevent deadly conflict is not the weakness of the instrument. Rather, it lies in the sanctioning nations understanding of regional conflict and their inability to act decisively. To use sanctions successfully, sanctioning nations must gain a better grasp of the roots of regional wars, learn to better predict their occurrence, and become better able to decide on effective solutions. The United States and other sanctioning nations must also recognize the need to commit publicly to maintaining sanctions for long periods. These innovations will make economic sanctions an even more effective instrument.

Maritime superiority will ensure that the United States has the capability to lead multilateral sanctions enforcement by physical means. However, there are certain areas that must be improved in order to better enforce sanctions. Sanctions must be designed to isolate and target elite members of the regime and their financial supporters. This will have the added effect of minimizing humanitarian suffering on civilians. Sanctions must also isolate external business affairs, communication links, and propaganda outlets. Finally, future sanctions must address the fact that information technology is becoming the favored method of world commerce, in which a physical blockade will not be able to control in the future.

The key to success of military enforced economic sanctions is research and quick, decisive implementation. This can be accomplished through determined diplomacy within the U.N. framework and well-organized U.S. interagency coordination. Once accomplished, the Cyberwarfare Center can assist a geographic command CINC develop a strategic campaign plan and coordinate the information isolation execution plan in coordination with the geographic combatant commander and other participating agencies.<sup>30</sup>

Using information interdiction and the long-term deterioration of a physical blockade together would succeed in addressing these areas of concern and this would enable a robust military operation in support of economic sanctions. Once established, information isolation operations offer a low-cost and surgical option to easily increase or decrease interdiction actions. This makes it a more flexible and desirable tool. And in the absence of specific regulations, the United Nations Charter and subsequent resolutions that authorize sanctions, can submit for an information isolation plan.

Future sanctions must be designed keeping in mind that the key to future sanctions in a global economy is to minimize the interference to the masses and maximize the susceptibilities. They will have to embargo both the physical and electronic movement of wealth. They will have to be overwhelming and produce quick results in order to limit the adverse collateral economic impact that might threaten any coalition. And most importantly, they will have to target specific areas of leadership in order to minimize the humanitarian suffering that predictably occurs with long-term sanctions.

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<sup>30</sup> "Military Enforcement of Economic Sanctions ... Smart Changes for the Future" (Unpublished Research Paper, U.S. Army War College, Carlisle Barracks, PA: 2000), p.11

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## APPENDIX A

**Iraq:** The method employed by the United States and Allies were to embargo all exports and imports via land, sea and air. This was accomplished by having Turkey, Jordan and Saudi Arabia cut off oil exports via pipelines; the use of maritime interdiction operations to cut off all oil and commodity trade in the Arabian Gulf; and to enforce an air embargo. The breadth of the tactics reveals the senders' seriousness of purpose. A broad international coalition was organized in support for the sanctions effort, they used all available economic sanctions (trade cutoffs, aid cutoffs, and financial sanctions), and they used sanctions in conjunction with other policy instruments (force or the threat of force). Hence, these three efforts shed light on the ability of forceful sanctions to control conflict.

Iraq's invasion of Kuwait triggered an immediate response in the form of comprehensive economic sanctions that remain in place. After Iraq was forcefully expelled from Kuwait in the Gulf War, the primary goal of the sanctions shifted to dismantling Iraq's WMD and creating a monitoring system to ensure that these weapons programs are not restarted. MIO enforcement have effectively isolated Iraq via its land and sea trade routes. The economic sanctions have done massive damage to the Iraqi economy. Iraq's GNP fell by more than 50% after sanctions were imposed. The value of the Iraqi dinar plummeted and inflation increased to approximately 150%.<sup>31</sup> Prior to August 1990, Iraq imported 75% of its food and nearly 100% of its military hardware. As early as December 1990, export earnings, principally from oil, dropped more than 90% and imports experienced an equivalent decline.<sup>32</sup> Economic pain has slowed the rebuilding of the Iraqi military by making it difficult to purchase spare parts and replace aging equipment. It has helped compel Iraq to grudgingly comply with U.N. efforts to prevent it from acquiring WMD. It contributed to Iraq's decision to recognize Kuwait. Increasing economic misery was also a factor in Saddam's decision to negotiate with the U.N. regarding limited oil sales for the purpose of purchasing humanitarian assistance.<sup>33</sup> Finally, the vast economic harm that sanctions have inflicted on Iraq warns other potential aggressor-states that the United States can assemble and maintain a sanctions coalition capable of

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<sup>31</sup> Eric D.K. Melby, The Carter Center, <<http://www.cc.columbia.edu/sec/dlc/ciao/srchfrm.html>>

<sup>32</sup> David Cortright and George A. Lopez, "Sanctions against Iraq: Facts and Analysis," February 1998; <<http://www.fourthfreedom.org/hottopic/sanctionsagainstiraqfactsanalysis.html>>

<sup>33</sup> Eric D.K. Melby, The Carter Center, <<http://www.cc.columbia.edu/sec/dlc/ciao/srchfrm.html>>

gravely injuring an aggressor's economy. However, evidence indicates that Saddam and his regime remain untouched and even profited from the ensuing black-market of goods.

Critics make two main observations to support the claim that sanctions have failed in Iraq. First, Saddam remains in power. Second, sanctions failed to induce Iraq to withdraw from Kuwait. The first observation measures sanctions against an unduly high standard of performance. The failure of sanctions to overthrow Saddam means that they were only partially successful in Iraq, but this should not obscure the success they have achieved. The very fact that the destruction wrought by six weeks of practically unrestrained bombing was also insufficient to cause Iraq to leave Kuwait suggests that no severity or extent of economic sanctions could have achieved that result.<sup>34</sup> The second observation, that sanctions failed to remove Iraq from Kuwait, is a weak argument because the sanctions were not left in place long enough to accomplish the task. Sanctions do not work overnight. During the pre-war Gulf crisis, sanctions advocates forecast that sanctions would take at least a year to force an Iraqi policy change,<sup>35</sup> but President Bush decided to move ahead with the military option six months into the crisis. Also, sanctions were targeted at the whole Iraqi economy and not specifically at Saddam and the ruling Ba'th party.

Iraq presents an almost 'ideal' case of sanctions. Sanctions were introduced with full U.N. Security Council backing. Iraq's economy was highly dependent on the ability to sell oil. The sanctions were comprehensive and enforced militarily through MIO. Still, sanctions proved unable to persuade Saddam to vacate Kuwait because they were targeted at the whole Iraqi economy and not specifically at Saddam and the ruling Ba'th party. The United States underestimated the willingness of Saddam to subject his country to a substantial decline in their standard of living. Also, for Saddam to withdraw without a fight would mean a loss of face, a cultural embarrassment for an Arab leader bent on establishing hegemony in the region. This is not the same as saying the sanctions failed completely, however, and they included blocking Saddam's access to the resources needed to rebuild his war machine.

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<sup>34</sup> Paul Szasz, International Law Studies Volume 71 The Law of Armed Conflict: Into the Next Millennium, (Naval War College Press, Newport, RI: 1998)

<sup>35</sup> Alan Dowty, "Sanctioning Iraq," Washington Quarterly 17 no.3 (Summer 1994) p.180

## APPENDIX B

**Haiti:** A military coup against the elected government of Haitian President Jean-Bertrand Aristide triggered economic sanctions against Haiti. The sanctions effort was led by the United States and the Organization of American States (OAS) and later included the U.N.. The primary goals of the sanctions were to punish the Haitian military junta and to restore Aristide to power. The sanctions were lifted in October 1994 when Aristide resumed the presidency of Haiti.

Some argue that the sanctions, which were imposed for three years, were ineffective, and that the military junta stepped aside only under the imminent threat of U.S. military invasion. In fact, the sanctions were initially ineffective because they were imposed in a tentative, half-hearted manner. The sanctions imposed in 1991 were partial and were not targeted at the Haitian elites until January 1994.<sup>36</sup> This was a serious omission since the coup that ousted Aristide was sponsored by the Haitian elites. Thus, sanctions would have to be targeted against these elites in order to bring about a policy change. Also, the early sanctions contained loopholes that allowed U.S. businesses to continue operating in Haiti, were prematurely loosened during the crisis before Haiti fully complied with U.S. and U.N. demands, and were accompanied by weak official American rhetoric and signs of U.S. irresolution.<sup>37</sup> Hence, it is not surprising that the sanctions were initially ineffective. In the end, however, the sanctions did make a positive contribution to the outcome in Haiti, largely because they were finally toughened and targeted at Haiti's economic and military elites. No doubt the junta's decision to step aside was triggered by the threat of U.S. military invasion, but economic sanctions helped set the stage. Once the sanctions were toughened to include a total trade embargo and asset freezing, they crippled the Haitian economy and caused economic suffering for the elites.<sup>38</sup> This helped convince the elite to accept Aristide's return leaving the military rulers without their base of support, and in no mood to resist the U.S. invasion force. Hence, they were more willing to leave power peacefully when the United States threatened force. Thus, despite being poorly implemented at first, the economic sanctions against Haiti eventually injured the Haitian elites and thereby

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<sup>36</sup> Harold W. French, "Tightening the Stranglehold," The Economist 06 August 1994, pp.35-38.

<sup>37</sup> Gideon Rose, <<http://www.cc.columbia.edu/sec/dlc/ciao/srchfrm.htm>>

<sup>38</sup> Harold W. French, "Tightening the Stranglehold," The Economist 06 August 1994, pp.35-38

eased Aristide's restoration to power. The damage to the Haitian economy also may deter other military leaders from considering anti-democratic coups.

## APPENDIX C

**Federal Republic of Yugoslavia (FRY):** The United States and the U.N. imposed aid, trade, and financial sanctions on the FRY (Serbia and Montenegro) in 1992 to persuade it to reign in the Bosnian Serbs and bring an end to the war that broke out in Bosnia Herzegovina. In 1995, after the Dayton Accords, all the remaining sanctions were suspended indefinitely, and then terminated on the basis of compliance reports from those implementing the agreements. It can thus be said that these sanctions had at least been moderately effective.<sup>39</sup> The sanctions devastated the Yugoslav economy and helped persuade Yugoslav President Milosevic to end his war for a greater Serbia. Milosevic accepted a peace settlement reached at Dayton, Ohio and pressed the Bosnian Serbs to accept it as well. Without the sanctions it seems very unlikely that the Serb side would have considered the terms of the Dayton accord, let alone accepted them.<sup>40</sup> However, the sanctions at first were indirect and were notoriously leaky<sup>41</sup>. They targeted the FRY, which was not one of the warring parties in Bosnia. Also, for three years the United States sought an immoderate goal, consistently rejecting a partial settlement and instead insisting that Bosnia must be maintained as a unitary state.<sup>42</sup> This demand required the Bosnian Serbs to surrender sovereignty of all of their territory and abandon their goal of national independence - things they predictably refused to do. Not until late in the summer of 1995 did Clinton administration officials even hint that a partial solution might be acceptable.<sup>43</sup> A combination of economic sanctions and diplomacy might have succeeded in achieving peace far earlier if the U.S. goal had been more modest. In short, the sanctions had a substantial impact on policy-making in the FRY. Their failure to bring peace to Bosnia sooner resulted partly from the U.S. pursuit of grandiose aims and partly from the difficulty of the task.

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<sup>39</sup> Paul Szasz, International Law Studies Volume 71 The Law of Armed Conflict: Into the Next Millennium, (Naval War College Press, Newport, RI: 1998)

<sup>40</sup> Stephen John Stedman, "Trade Sanctions as Policy Instruments: A Reexamination," <http://www.cc.columbia.edu/sec/dlc/ciao/srchfrm.html>

<sup>41</sup> Paul Szasz, International Law Studies Volume 71 The Law of Armed Conflict: Into the Next Millennium, (Naval War College Press, Newport, RI: 1998)

<sup>42</sup> David A. Baldwin, Economic Statecraft (Princeton: Princeton University Press, 1985) pp.42-55.

<sup>43</sup> "Sanctions Work," The Economist, 04 September 1993, p.41.